



# Viet Nam Economic Bulletin

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## INDEX

1. Viet Nam ranks 6th among fastest growing Asian economies in 2024
2. Viet Nam's economy surges in Quarter 1, aiming for 6.5% GDP growth
3. Budget revenue surges 9.8% in Quarter 1
4. Viet Nam an attractive destination for electronics, semiconductor investors
5. Viet Nam remains charming for foreign investors
6. Viet Nam tops Asia-Pacific in workplace wellness: Intellect
7. Noi Bai named among world's 100 best airports
8. Da Nang to have first smart airport terminal in Vietnam
9. Air India to start non-stop service between New Delhi and Ho Chi Minh city from June
10. Ninh Binh named among world's Top 10 less-visited wonders

## Viet Nam ranks 6th among fastest growing Asian economies in 2024



- The U.S. website [finance.yahoo.com](https://finance.yahoo.com) placed Viet Nam 6th among the fastest growing economies in Asia in 2024 in its article published on April 4, 2024, which cited projections for Viet Nam's real GDP growth to reach 5.8 percent and per capita GDP growth at 7.41 percent. Viet Nam found itself positioned behind the Macao Special Administrative Region (China) which claimed the top spot, followed by India, Cambodia, Bangladesh, and the Philippines.

- Earlier, the ASEAN+3 Macroeconomic Research Office (AMRO) projected Viet Nam's economic growth to rise to 6 percent in 2024, higher than ASEAN's average rate of 4.5 percent.

- Growth in Viet Nam will be led by the continued normalization of retail goods inventory in the U.S., the recovery of the global semiconductor market, and stronger demand from the EU.

- The Government is determined to achieve the GDP growth goal of 6.5 percent in 2024.

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## Viet Nam's economy surges in Quarter 1, aiming for 6.5% GDP growth



- Viet Nam's economy in Quarter 1 (Q1), 2024 shows strong recovery and positive results across various sectors, setting the stage for successful achievement of the 2024 socio-economic development plan.

- Despite prevailing domestic and global challenges, the GDP growth rate for Q1 is estimated to have reached 5.66%, marking a favourable kick-off for Viet Nam's economic journey in 2024. This growth closely aligns with the ambitious scenario outlined by the Government in Resolution 01/NQ-CP, focusing on key tasks and solutions to implement the Economic-Social Development Plan and the state budget estimates for 2024.
- Reports from the regular Government meeting in March 2024 and the online Government conference with localities, delivered by Minister of Planning and Investment Nguyen Chi Dung, underscored the continued positive momentum in Vietnam's socio-economic landscape. The economy has shown steady recovery, with each month surpassing the previous, culminating in significant achievements.
- GDP growth in the first quarter reached 5.66%, surpassing the government's projections and marking the highest growth rate for the same period since 2020. Industrial and construction sectors are gradually regaining growth momentum. The macroeconomy remains fundamentally stable, with controlled inflation and secured major economic balances. The interest rate environment has been maintained at a low level, ensuring ample foreign exchange supply to support growth, production, and exports, while banking system safety has also been ensured.
- The import-export turnover witnessed positive growth, with an estimated trade surplus of 8.08 billion USD. Total social investment capital in Q1 rose by 5.2% compared to the same period, reflecting a trend of recovery in domestic production and business across various sectors. This growth momentum is expected to propel further advancements in subsequent quarters, supporting economic growth in 2024 amid ongoing economic challenges.
- Viet Nam had attracted 6.17 billion USD in foreign direct investment (FDI) in Q1, a year-on-year rise of 13.4%, with actual capital reaching 4.6 billion USD. Several major enterprises have committed investments in Viet Nam, particularly in electronics, semiconductor chips, and renewable energy.
- Despite global economic and political uncertainties, Vietnam continues to leverage opportunities from major trends, trade shifts, global capital flow, and the recovery of demand from certain export markets and large trading partners. These conditions provide impetus to accelerate economic growth and achieve development goals in 2024, alleviating pressure on 2025, the final year of the 2021-2025 socio-economic development plan.

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## Budget revenue surges 9.8% in Quarter 1

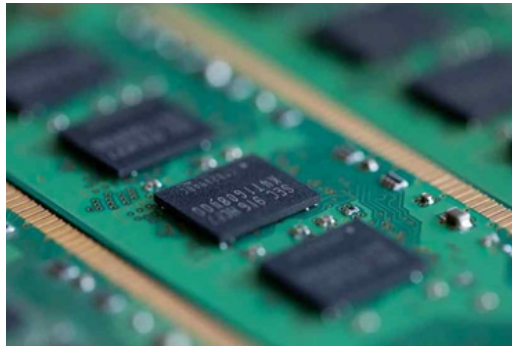


- Budget revenue was estimated at VND539.5 trillion in the first quarter of this year, representing a year-on-year increase of 9.8 percent, according to the Ministry of Finance.
- Of the total, domestic revenue was estimated at VND467.5 trillion, up 13.5 percent against the same period last year.

- Revenue from crude oil hit VND15.8 trillion, up 2.1 percent against the same period last year while trade revenue valued at VND56.2 trillion, down 12.5 percent against the same period last year.
- Budget spending was estimated at VND140.3 trillion in March, VND393.5 trillion in Q1, equivalent to 18.6 percent of forecast, up 8.3 percent against the same period last year.
- Specifically, around VND89.9 trillion was spent in social development while budget disbursement rate was 13.67 percent of the Prime Minister's plan, up around VN D16.7 trillion in quantity.
- In April and the rest of 2024, the tax sector will accelerate tax collection especially strengthen tax management in e-commerce, ecommerce floors, online businesses and livestream-assisted trade activities.
- Regarding the implementation of the e-invoice policy, by the end of the first quarter, tax agencies received and processed 7.12 billion e-invoices, including 2 billion invoices with the tax authority's verification codes and more than 5.12 billion invoices without the codes.
- By the end of the first quarter of 2024, more than 50,300 businesses had registered to use e-invoices generated from cash registers. Over 252.8 million invoices were generated from cash registers.
- Also in the first quarter, 85 cross-border service providers paid taxes totaling VND 2 trillion via the portal of the General Department of Taxation for foreign providers./.

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## **Viet Nam an attractive destination for electronics, semiconductor investors**



- Viet Nam has strong infrastructure and research and development incentives as well as a skilled workforce, making it an attractive for “eagles” worldwide in the electronics and semiconductor industry, according to Deputy Minister of Planning and Investment Tran Duy Dong.
- Localities across the country have sped up ground clearance to provide clean sites to electronic and semiconductor firms, while the strategic transport system connecting economic hubs, seaports, and airports has been improved, the official said.
- Local authorities have also been ready to provide favourable conditions in information technology as well as power, water supply services, and social infrastructure for workers in the industry, Dong said at the recent Vietnam Global Manufacturing Forum 2024 (VGMF2024) in Hanoi.
- Viet Nam is currently among the top 40 economies in the world in terms of GDP with over 430 billion USD and the top 20 economies in international trade and foreign direct investment. The nation prioritises projects in hi-tech fields like electronics, semiconductors, innovation, and renewable energy. It also seeks to develop international financial centres, modern services and trade, infrastructure, and research and development.

- Mr. Dong also revealed an MPI-developed human resource development scheme specifically for the semiconductor industry. This scheme, targeting the training of 50,000 engineers by 2030, will be submitted to the PM for approval in the near future. The National Innovation Centre (NIC), managed by the MPI, will focus on smart factory and urban development, digital communication, environmental technology, cybersecurity, semiconductor industry, hydrogen, and health care. Notably, it has already secured partnerships with US chipmakers Synopsys and Garden to establish a facility dedicated to chip research and design.

- Viet Nam has been a choice for many electronics “eagles” such as Intel, Bosch, Panasonic, Kyocera, Foxconn, Samsung, and LG. Their presence in Viet Nam has shown that Viet Nam’s business investment environment has improved significantly and is highly valued.

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## Viet Nam remains charming for foreign investors



- Viet Nam is an attractive FDI destination in the eyes of foreign investors despite rising geopolitical instability on the globe, said Paulo Medas, head of the International Monetary Fund (IMF) team to Viet Nam.

- IMF forecast that Viet Nam’s economic growth would expand by nearly 6 percent this year thanks to the recovery of domestic demand and the Government’s support fiscal policies.

- The expert predicted that due to rising inflation rates from global upheavals, it is necessary for the country to raise interest rates in a bid to rein in price pressures. However, the fiscal policy must be taken in a cautious manner so that it would not cause negative impacts on growth.

- In the context of shifting of supply chains to Asia, Viet Nam is one of the investment destinations for foreign investors.

- Viet Nam should continue to improve its business environment, streamline administrative procedures, develop infrastructure, especially for green energy development, and promote innovation in order to maintain its attractiveness.

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## Viet Nam tops Asia-Pacific in workplace wellness: Intellect



- Workplace well-being is on an “upward trajectory” throughout the Asia-Pacific region, with Viet Nam (65.09) leading the rest of the regional countries in workplace wellness.

- Viet Nam also has organizational health scores above the overall average (62.9), according to research from Intellect.
- The study uncovers the strengths and areas of improvement of workforces across the Asia-Pacific on both an individual and organizational level.
- While individuals are self-aware, able to build workplace relationships, and likely to encourage workforce participation, they may need support with stress management, emotional regulation, and mental well-being.
- For organizations in these markets, organizational support is on the rise, though companies may need support in implementing employee well-being programs.
- The three sectors with the highest organizational health scores are healthcare and pharmaceuticals (67.48), government and nonprofit (66.81), and education (65.76). All of those are above the overall benchmark score of 63.85.
- Other above average industries include technology and telecommunications, professional services, and manufacturing.
- Intellect's report recommends that employees understand where their organization stands regarding workplace well-being, work to improve disengagement to improve their company's organizational health score, and improve productivity.

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## Noi Bai named among world's 100 best airports



- Noi Bai International Airport ranked 96th out of the world's 100 best airports, jumping 31 notches from 2023, according to Skytrax.
- This year, the Airports Corporation of Viet Nam has two winners namely Da Nang International Airport (at 94th place) and Noi Bai International Airport (at 96th position).
- This is the first time Da Nang city-based airport has been present in the list. Meanwhile, Noi Bai International Airport was named for the sixth time on the ranking.
- Noi Bai International Airport secured sixth position in the global rankings for airports with the best Wi-Fi connectivity in 2024, according to the renowned Skytrax Airline which annually publishes a list of the top 20 global airports with the best Wi-Fi connectivity.

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## Da Nang to have first smart airport terminal in Vietnam



- The international terminal of Da Nang Airport, based in the central city of Da Nang, is set to become a smart terminal under a partnership between the Da Nang International Terminal Investment and Operation JSC (AHT) and FPT Software.
- The partnership, announced on April 22, 2024 aims to promote digital transformation in the short term and comprehensive modernisation in the long term. It looks to develop the first smart airport terminal in Vietnam to minimise the time needed for handling procedures and improve passengers' experience. At the event, AHT and FPT Software, an affiliate of tech giant FPT group, signed documents for implementing the project in the second quarter of 2024 and complete it this October.
- Accordingly, AI-powered cameras will be installed at aviation procedure handling zones to assess density to help operators quickly detect hot spots and take effective solutions. More mobile apps will be launched to provide smart support solutions such as notifying the departure status and finding current locations on the map. A new website will be built to ensure the best possible convenience for users when searching for multilingual information. More touch-screen systems will also be placed across the terminal for passengers to search for information and give assessments, helping the terminal make improvements.
- The Da Nang international terminal was rated five stars by international airport rating agency Skytrax in January. It received the certificate at the Skytrax World Airport Awards 2024 ceremony in Germany on April 17.
- In 2022 and 2023, the terminal was equipped with autogates, automatic boarding gates, and self-check-in kiosks. Particularly, it is the first airport terminal in Viet Nam to have a self-service bag drop system, applied by Starlux Airlines. As a result, all aviation procedures at this terminal are now handled automatically.

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## Air India to start non-stop service between New Delhi and Ho Chi Minh city from June



- Tata-owned Air India on April 10 announced non-stop flights between New Delhi and Ho Chi Minh city from June 1, 2024.

- Air India flights will operate on five days a week - Monday, Wednesday, Friday, Saturday and Sunday.
- As the world's most populous country with high-income cities, India has been identified as a target market by the global tourism industry, including Viet Nam.
- India is consistently among the top 10 largest Asian source markets, sending the most tourists to Viet Nam. Statistics of the Viet Nam National Administration of Tourism showed that over 116,000 visitors from India traveled to Viet Nam in the first quarter of this year.
- In particular, based on data from Google Trends, Viet Nam topped the list of most searched-for destinations by Indians in 2023.

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## Ninh Binh named among world's Top 10 less-visited wonders



- Ninh Binh ranks 4th in top 10 less-visited wonders of the world, according to the United Kingdom's Daily Mail.
- Daily Mail also suggests that travelers should visit this place in October and November when water levels are high and the rice fields are ready for harvest.
- Ninh Binh is home to Trang An Landscape Complex which was recognized as the World Cultural and Natural Heritage Site. The first and only dual world heritage in Southeast Asia.
- With its towering run of jagged karst pinnacles, Ninh Binh is just as dramatic a sight as the better-known Ha Long Bay, although it doesn't come with hordes of tourists, according to the publication.
- Spanning a total area of 12,000 hectares, the complex symbolises the magic, mystery, and majesty of the natural world, including Hoa Lu Ancient Citadel Cultural – Historical Area, Trang An – Tam Coc – Bich Dong Scenic Area and Hoa Lu Special-Use Primary Forest.
- Among them, the highlight is Trang An scenic area located in the centre of the complex. With its picturesque scenery, renowned spiritual tourism sites, unique festivals, and attractive specialities, Trang An is becoming one of Viet Nam's most worth-visiting tourist destinations.
- Previously, trips to Discover (U.S.) listed Ninh Binh among the 14 most attractive destinations in Asia in 2020. The U.S. travel magazine Travel + Leisure has listed Ninh Binh as one of Asia's 12 "coolest movie filming locations" in 2022.

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